सहायक प्रबंधक/ Assistant Manager
निगम वित्त विभाग / Corporation Finance Department
रजिस्ट्रीकरण, मंजूरी, पत्र-व्यवहार /Registration, Approval And Correspondences
निर्गम एवं सूचीबद्धता प्रभाग / Division Of Issues And Listing – I

SEBI/HO/CFD/RAC-DIL1/P/OW/2024/26359/1
August 20, 2024

International Gemmological Institute (India) Limited
702, The Capital, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051

Kind Attention: Mr. Easwar Iyer, Chief Financial Officer

Sub- Request for seeking exemption from strict enforcement under Regulation 300(1)(c) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") from categorization of Alpha Yu B.V. and CHINDEX Shanghai International Trading Company Limited, as "group companies" in terms of Regulation 2(1)(t) of ICDR Regulations for the purpose of Proposed Initial Public Offer of equity shares of International Gemmological Institute (India) Limited

Sir,

1. This has reference to your letter dated July 12, 2024 on the captioned matter and subsequent correspondences with the company and Book running lead managers – Axis Capital Limited, Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited and SBI Capital Markets Limited.

2. In the aforesaid communications, you have sought exemption under Regulation 300(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as "ICDR Regulations") for relaxation from strict enforcement of Regulation 2 (1) (t) of the ICDR Regulations.

3. While seeking exemption from the compliance with Regulation 2(1)(t) of the ICDR Regulations, the Company has *inter-alia* submitted the following:

   i. BCP Asia II TopCo Pte. Ltd. (Promoter), which is current promoter of IGI, is not the original promoter of the company and has acquired controlling interest of the company from Alpha Yu and Lorie Holdings B.V. ("Lorie Holdings"), pursuant to share acquisition agreements each dated May 19, 2023. Accordingly, as on date, the Promoter holds 100% of the issued, subscribed and paid-up equity share capital of the company and Alpha Yu and Lorie Holdings are not associated with the Company in any manner.

ii. The company's financial year commences on January 1 and ends on December 31 of the same year ("Calendar year or CY"). During the calendar year 2021 and 2022, the company has recorded following related party transactions with Alpha Yu and CHINDEX:

a. Alpha Yu is a company incorporated in Amsterdam, Netherlands having its registered office at Herikerbergweg 238, 1101Cm Amsterdam. It has been identified as a related party of the company for CY 2021 and CY 2022, in its capacity as the then holding company of IGI. The related party transaction pertained to payment of dividend of INR 116.86 crores and INR 118.44 crores, respectively by the company to Alpha Yu.

b. Further, following COVID-19 outbreak in China in December 2019, the company supplied N-95 face masks aggregating to INR 29.5 lakhs to an affiliate of Alpha Yu, namely CHINDEX, a company incorporated in the People's Republic of China in CY 2020. The receivables due in this regard were recorded as related party transactions in the audited financials of company for CY 2021 and 2022. This was a one time transaction against the back drop of COVID-19 and there has been no other business transactions with CHINDEX.

iii. There have not been any related party transactions between the Company and the Identified entities in CY 2023 and three months period ended March 31, 2024 and there shall not be any further related party transactions in accordance with the Indian accounting standard notified under Section 133 of the Companies Act and referred to in the Companies (Indian Accounting Standards) Rules, 2015, between the Company and the Identified entities in the future.

iv. The Company has approached the representatives of the Identified Entities on June 7, 2024, to obtain the necessary information and certifications required from Alpha Yu and its affiliate, CHINDEX in their respective capacity as group companies under the ICDR Regulations, for the purposes of the Offer, in order to make Group Company Disclosures as required under the ICDR Regulations. Despite several rounds of discussions with the representatives of the Identified Entities following this, the representatives have pursuant to their email dated June 20, 2024 refused to provide the relevant information sought by the Company in accordance with the SEBI ICDR Regulations citing the following reasons, namely, (a) they do not want to provide confirmations/ warranties beyond what they had provided at the time of sale of the Company to the Promoter; and (b) insufficient knowledge of securities laws of India and implications of the same.

v. Despite this express refusal, the Company has endeavored to explain the regulatory requirement to the Identified Entities and tried to persuade them to provide the relevant information pursuant to emails dated June 26, 2024, various email exchanges between July 1, and July 8, 2024. However, despite best efforts, the Identified Entities have not acquiesced to the Company's requests or changed their original stance.

vi. As on July 26, 2024, the representatives of the Identified entities have explicitly refused to provide the requisite information stating that they are unable to convince their departments on the necessity of the requested certificates and stated that the company may explore alternate ways to proceed with the Offer.

vii. Following the divestment of shareholding by Alpha Yu in the Company, the Company has had no control, business or transactions with Alpha Yu or its affiliates and has no ability to influence the decision making at the Identified Entities in order to persuade them to provide the requisite information.

viii. Given that the Identified Entities have expressly refused to provide necessary information and despite multiple attempts, not changed this stance, the Company is unable to provide confirmations in relation to group companies, as required under the ICDR Regulations, due to the aforementioned factors which it deems to be beyond its control.

ix. It is further confirmed that, as on the date of this exemption application:
- The Identified Entities do not hold any securities of the Company;
- The Company does not hold any securities of the Identified Entities;
- The Company neither controls nor is otherwise involved in the day to day operations of the Identified Entities;
- The Identified Entities neither control nor are otherwise involved in the day to day operations of the Company;
- The business operations of the Company and the Identified Entities are fully independent from each other, and neither of them has any business or financial dependency over each other;
- There are no common directors on the board of directors of the Company and the Identified Entities; and
- No further transaction has happened post Calendar Year 2022.

4. Regulation 300 of the ICDR Regulations empowers the Board to relax strict enforcement of any requirement under the ICDR Regulations in case such requirements are procedural in nature or the non-compliance was caused due to factors beyond the control of the issuer.

5. From the submissions of the Company, it is observed that despite repeated attempts of Company to obtain requisite confirmations and information for Group companies, the Fosun Group has explicitly refused to provide the requisite information stating that they are unable to convince their departments on the necessity of the requested certificates and stated that the company may explore alternate ways to proceed with the Offer.

6. Further, the transactions pertained to payment of dividend by the company to Alpha Yu and a one-time transaction where the company supplied N-95 face masks to affiliate of Alpha Yu, namely, CHINDEX. The company has no related party transactions with these identified entities in CY 2023 and three months period ended March 31, 2024 and has confirmed that there shall not be any further related party transactions in future.

7. The Company has also confirmed that there is no existing relationship with these identified entities in terms of holding any securities or any control, common directors, involvement in day to day operations, business or financial dependency, etc.

8. It is also noted from the BRLMs confirmation that that the Company and Promoter have taken requisite steps to contact and obtain the relevant information from the Identified entities. However, the Identified entities have not acceded to the Company's requests and have explicitly refused to provide the relevant information sought by the Company in order to comply with ICDR Regulations.

9. Based on the circumstances of the case and the facts mentioned above, exemption request of the Company has been acceded to by the Competent Authority.

10. You are, further, advised as under:

    i. The Exemption application and SEBI letter shall be disclosed as part of material documents available for inspection in Offer documents.
    ii. The undertaking by company that there shall not be any further related party transactions with Alpha Yu B.V. or CHINDEX Shanghai International Trading Company Limited in future; and reasons cited for seeking exemption shall be disclosed in Offer documents.

iii. Details of related party transactions of company with Alpha Yu B.V. and CHINDEX Shanghai International Trading Company Limited during Calendar years 2021 and 2022 shall be disclosed in Offer documents.

11. The exemption is specific to the present case and shall not be treated as precedent.

Yours faithfully,

Poonam
20/8/24

Poonam